

News from Ed Markey

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MARKEY-SHADEGG BILL HELPS TO LOWER PRESCRIPTION DRUG COSTS FOR MANY PUBLIC HOSPITALS

WASHINGTON, DC: Representatives Edward J. Markey (D-MA) and John Shadegg (R-AZ), both senior members of the Energy and Commerce Committee, yesterday introduced H.R.2409, the Safety Net Hospital Pharmacy Access Act of 2003. Identical legislation was introduced in the Senate by Senator Kyl (R-AZ) and among the original co-sponsors were both Massachusetts Senators Ted Kennedy and John Kerry.

Rep. Markey said, "The Safety Net Hospital Pharmacy Access Act of 2003 allows our nation's 'safety net' hospitals to negotiate lower prices for inpatient drugs. It is a moral obligation that we help these hospitals care for those who can least afford prescription drugs. These safety net hospitals provide a disproportionate share of medical care to low-income and uninsured patients so with the rising cost of healthcare and prescription drugs they need this important cost-savings."

Over a decade ago, Congress ensured that "safety net" hospitals could negotiate lower prices with pharmaceutical companies for prescription drugs. Unfortunately, federal officials have interpreted this exemption to apply only to outpatient drug costs. As a result, these hospitals frequently pay a higher price when these prescription drugs are offered to hospital patients, and a lower price when prescribed for outpatient care. The Markey-Shadegg bill legislation will remove this barrier so that these safety net hospitals can save money on inpatient drugs as well and use the money saved toward providing other essential services.

Several Massachusetts hospitals would be able participate in these savings. For example, the Cambridge Health Alliance, a healthcare system that includes the Whidden Memorial Hospital in Everett, could see saving of \$2.3 million and Boston Medical Center could save as much \$4-5 million annually. Baystate Medical Center also currently participates in the program and would see a substantially savings if the Markey-Shadegg bill were enacted.

"With growing pressures on funding for Medicaid and other publicly-funded health care, it is now more critical than ever that safety net hospitals be able to negotiate for lower prescription drug costs for our hospital patients, said Dennis D. Keefe, CEO of Cambridge Health Alliance. "Rep. Markey's leading efforts to help lower prescription drug costs for many public hospitals are greatly needed. Importantly, this will help our health care dollar go further, and could save roughly \$10 million in Massachusetts hospitals each year."

"Rep. Markey's leadership on this legislation demonstrates his commitment to ensuring decent health care for all. This legislation is very important for Boston Medical Center's patients, and lower drug costs

will ease some of the financial burden facing Boston Medical Center and other safety net hospitals," said Elaine Ullian, President and CEO, Boston Medical Center.

Mark Tolosky, President and Chief Operating Officer of Baystate Health System, said, "Ongoing Medicaid and Medicare funding cuts and increased pharmaceutical costs have placed hospitals under enormous financial pressure. This bill would provide Massachusetts safety net hospitals an important measure of financial relief by allowing for the purchase of pharmaceuticals at the lowest possible cost. Baystate Health System appreciates Congressmen Markey and Neal as well as Senators Kennedy and Kerry taking the lead in fast-tracking this important healthcare funding legislation through Congress."

Rep. Markey concluded, "This is a small step toward helping healthcare providers make ends meet, but to fully address the problems facing our health care system we will need to make other investments that have been made much more difficult by the recently enacted Bush tax cuts that disproportionately favor the wealthy."

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